

This record is a partial extract of the original cable. The full text of the original cable is not available.

UNCLAS SECTION 01 OF 02 TEL AVIV 001902

SIPDIS

STATE FOR NEA/IPA, NEA/RA, OES/PCI, AND OES/IHA

E.O. 12958: N/A

TAGS: [KFLU](#) [TBIO](#) [ECON](#) [EAGR](#) [IS](#) [KBWG](#) [ENVIRONMENT](#) [SCIENCE](#) [AND](#) [TECHNOLOGY](#) [ECONOMY](#) [AND](#) [FINANCE](#)

SUBJECT: AVIAN INFLUENZA: ISRAELI POULTRY FARMERS RECEIVE COMPENSATION

REF: A) JERUSALEM 1151, B) TEL AVIV 1135, C) TEL AVIV

1087

SUMMARY

1. To curb the spread of the H5N1 avian influenza virus in Israel in March 2006, the Israeli Ministry of Agriculture ordered the culling of approximately 1.3 million birds, including broilers, layers and breeding stock (turkeys and chickens). According to a USDA GAIN Report issued May 10, 2006, the number of culled birds was equal to the production of 2,000 tons of poultry meat and represented a five percent reduction in total monthly production. There appeared to be no significant changes in poultry consumption among consumers. Because initial culling and disinfection efforts were slow, the GOI allocated USD 1.1 million to hire additional manpower. At the beginning of the AI outbreak, the GOI announced a compensation plan based on the type of poultry and age of the birds. As of April 11, 2006, the GOI had completed compensation of USD 4.6 million for direct damages to poultry farmers whose poultry flocks were destroyed. A special committee was formed to discuss compensation for indirect damages to poultry breeders due to the AI outbreak, but decisions on further compensation are still pending. End summary.

NO SIGNIFICANT CHANGES IN POULTRY CONSUMPTION

2. According to a local survey, about 38 percent of the Israeli public briefly abstained from eating poultry due to the AI outbreak. This trend appeared to be especially true for families with children. Immediately following the outbreak, there also was a temporary increase in the prices of beef, fish, and soy-based meat substitutes. More significant, though, is that there was an increased demand for poultry during the Passover holiday in April, which shortly followed the AI outbreak. The decrease in poultry meat production did not result in a significant shortage in the availability of poultry in the marketplace during this timeframe.

PRODUCTION SUSPENDED FOR 30 DAYS FOLLOWING DISINFECTIONS

3. Poultry production was suspended at affected farms for thirty days from the end of the disinfection process. Initially, the process of culling and burial of carcasses was slow due to both manpower and equipment shortages. To better facilitate culling and cleanup efforts, the GOI allocated USD 1.1 million to hire additional manpower, including approximately 160 additional workers were contracted by the Ministry of Defense to assist in culling and cleanup efforts within the 3-kilometer sterile zones.

POULTRY GROWERS COMPENSATED / NO NATURAL DISASTER
DECLARED

4. At the beginning of the AI outbreak, the GOI announced a compensation plan based on the type of poultry and age of the birds. As of April 11, 2006, the GOI completed compensation of USD 4.6 million for direct damages to poultry farmers whose flocks were destroyed. Other economic losses include USD 6.22 million for loss of income due to the suspension of production, USD 70,000 for the destruction of feed from affected flocks, USD five million for the destruction of hatchlings, and loss of income to owners of slaughterhouses in affected regions of USD 110,000. Additional costs of containment, borne by the GOI, included USD 1.55 million for culling and burial and USD 1.11 million for disinfections and cleaning. According to compensation tables published by the Ministry of Agriculture, the maximum compensation rates received by affected poultry growers were: USD

23.71 per mature male turkey, USD 12.05 per female turkey, USD 2.50 per broiler and USD 5.94 per Rown Hen layer. At the beginning of the outbreak, the Israeli Poultry Growers Association requested that the H5N1 avian influenza outbreak be declared a natural disaster. However, the Ministry of Agriculture declined to do so. In addition, a special committee was formed to discuss compensation for indirect damages to poultry breeders, estimated to be around USD seven million in addition to the direct costs described above; but decisions on further compensation are still pending.

JONES